
Department of Mental Health

FY 2002 Proposed Operating Budget:	\$227,568,784
FY 2002 Proposed Capital Budget:	\$50,620,213
FY 2002–FY 2007 Proposed Capital Improvement Plan:	\$109,867,697

The Department of Mental Health seeks to provide mental health services to children, youth, adults and their families and develop and retain a highly qualified workforce and to facilitate organizational effectiveness.

Budget Summary

The FY 2002 proposed operating budget for the Department of Mental Health (DMH) is \$227,568,784, an increase of \$17,000,000 over the FY 2001 approved budget (table RM0-1). The Department of Mental Health was established with the passage of the Department of Mental Health Establishment Emergency Amendment Act of 2001 in May 2001. The Act was passed to comply with the consent order in *Dixon, et al. vs. Anthony Williams, et al.*, governing the transitioning of the Commission on Mental Health Services back to the Government of the District of Columbia. The agency is currently under a court-ordered transitional receivership. The Department of Mental Health is building the necessary administrative and service capacities to successfully return the agency to the District and comply with the underlying court orders in the *Dixon* case. There are 2,162 FTEs supported by this budget, which represents no change from FY 2001 (table RM0-2).

The FY 2002 proposed capital budget totals \$50,620,213 for FY 2002 and \$109,867,697 for FY 2002 - FY 2007. The capital budget funds

three existing capital projects and three proposed new capital projects. The Department of Mental Health's capital program will facilitate the transfer of St. Elizabeths Hospital operations from its West Campus to the East Campus.

Strategic Issues

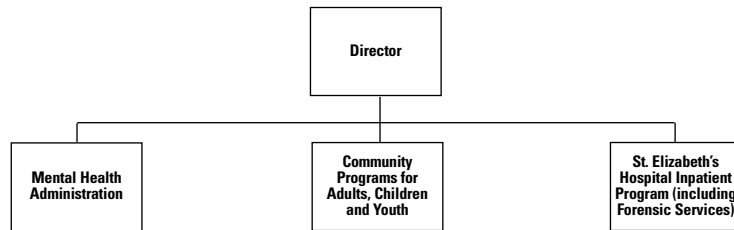
- Increase access to community mental health services for children, youth and adults.
- Increase the capacity of the crisis emergency response system, including increasing capacity for children, youth and adults. Presently, crisis services are provided at the Comprehensive Psychiatric Emergency Program (CPEP).
- Continue the consolidation of long-term inpatient services capacity at St. Elizabeths Hospital.
- Develop and implement an effective and integrated community-based system of mental health care for consumers in the District of Columbia.
- Continue to implement the initiatives established by the Transitional Receiver in FY 2001.

The FY 2002 proposed operating budget is \$227,568,784, an increase of \$17,000,000 over the FY 2001 approved budget.

The FY 2002 proposed capital budget totals \$50,620,213.

Figure RM0-1

Department of Mental Health



FY 2002 Initiatives

- Developing mental health services that are maximally integrated with other service systems to promote continuity, avoid unnecessary institutional reliance and avoid cost shifting.
- Creating a clinical home for each person receiving DMH services and ensuring a single point of accountability for service delivery.
- Initiating service contracts with in-District private inpatient psychiatric providers for the provision of acute care to adults and children rather than provide the services at St. Elizabeths Hospital.
- Consolidating the following services from the West campus to the East campus: administration, medical records, legal office, day programs, employees' cafeteria, security, human resources and the canteen. The consolidation of services will result in significant savings for the agency.

Agency Background

Established in 1987, the DMH provides comprehensive mental health services to adults, children and youth and their families as well as mental health evaluation and treatment of individuals referred through the criminal justice system. DMH also operates St Elizabeths Hospital, which currently provides acute, long-term, and forensic inpatient services. Outpatient clinics are now located on the grounds of St. Elizabeths, but will be relocated in FY 2002 to community locations. DMH provided mental health services to more than 7,500 children, youth and adults in FY 2001. In June 1997, the U.S. District Court placed the DMH into Receivership. The Receivership was a product of the District's failure to adequately com-

ply with the Dixon court decrees, which required mental health treatment in the least restrictive settings for civilly committed adults and children, and therefore, mandated the development of suitable treatment alternatives to inpatient hospitalization.

Programs

The Department of Mental Health is the entity within the District of Columbia that is responsible for developing, supporting and monitoring a comprehensive system of services for persons with identifiable mental health needs (figure RM0-1). This service array currently includes inpatient psychiatric services, community-based mental health services provided by DMH-operated community services agency and other community agencies under contract to the department serving adults, children and youth. The department administers the following four services:

The **Mental Health Authority** provides executive management policy direction, strategic and financial planning, and public relations and resource management over the operations of DMH in meeting the mandates of the court and improving delivery of mental health services.

The Department operates one **Community Services Agency** and contracts with other community service providers for outpatient services for more than 7,000 adults with mental illness and children with emotional problems. Services include case management, rehabilitation, socialization, residential and housing support, mobile outreach, psycho educational day treatment and other clinical services for adults and supports treatment services for at-risk children and children with emotional disorders. There is an emphasis on

Table RM0-1

FY 2002 Proposed Operating Budget, by Comptroller Source Group

(dollars in thousands)

Department of Mental Health

	Actual FY 2000	Approved FY 2001	Proposed FY 2002	Change from FY 2001
Regular Pay - Cont. Full Time	86,501	96,470	101,491	5,021
Regular Pay - Other	7,411	4,212	4,240	28
Additional Gross Pay	8,551	1,373	1,397	24
Fringe Benefits	16,557	14,462	14,629	167
<i>Subtotal Personal Services (PS)</i>	<i>119,021</i>	<i>116,516</i>	<i>121,756</i>	<i>5,240</i>
Supplies and Materials	10,033	15,794	15,684	-110
Utilities	9,730	8,288	8,288	0
Communications	1,395	1,499	1,499	0
Rentals - Land and Structures	1,775	2,281	2,281	0
Other Services and Charges	3,838	9,845	6,930	-2,914
Contractual Services	61,072	53,379	67,635	14,256
Subsidies and Transfers	16	35	35	0
Equipment and Equipment Rental	2,176	2,933	3,462	529
<i>Subtotal Nonpersonal Services (NPS)</i>	<i>90,035</i>	<i>94,053</i>	<i>105,813</i>	<i>11,760</i>
Total Proposed Operating Budget	209,056	210,569	227,569	17,000

Table RM0-2

FY 2002 FTE Employment LevelsDepartment of Mental Health

	Actual FY 2000	Approved FY 2001	Proposed FY 2002	Change from FY 2001
Continuing full time	1,816.75	2,141.00	2,162.00	21.00
Term full time	168.50	21.00	0.00	-21.00
Total FTEs	1,985.25	2,162.00	2,162.00	0.00

building on the strengths of family relationships; responding to individual cultural differences; and incorporating the special needs of each family into treatment plans. DMH also provides crisis and emergency services for adults, youth and children.

St. Elizabeths Hospital provides acute and long-term inpatient care for adult residents of the District. The Hospital is located at 2700 Martin Luther King, Jr. Avenue, SE, Washington, DC.

The Hospital had 1,158 admissions in FY 2000. Of the residents admitted in FY 2000, 51 percent were male and 49 percent were female. The Hospital had total patient days of 224,401 for FY 2000, representing 613.11 average patient days. As of November 2000, there were 609 hospital beds with an average daily census of 613.

Forensic Services provide training for forensic staff and advance research initiatives to constantly

improve evaluation and treatment methodologies. It also collaborates with the Department of Corrections, the D.C. Superior Court, D.C. Parole and Probation, and other federal criminal justice and law enforcement agencies on pre- and post-booking jail diversion alternatives. Forensic staff provides evaluation, assessment, diagnosis and treatment for persons committed to St. Elizabeths Hospital to be examined for competency to stand trial or for treatment following a determination of not guilty for reasons of insanity by a jury or judge in a court of law.

Funding Summary

Local

The proposed local budget for FY 2002 is \$142,279,665, a \$16,871,872 increase over the FY 2001 approved budget. There are 1,502 FTEs funded by this budget, no change from FY 2001. Personal services increased by \$5,239,689 due to salary and cost of living adjustments. Nonpersonal services increased \$11,632,183 in contractual services to accommodate a shift in the way the Department will reimburse a significant portion of community services during FY 2002. This shift is necessary because the former Commission on Mental Health was billing Medicaid for community services through a methodology used only for outpatient clinics of hospitals using the Medicaid Rehabilitation Option. Refer to the FY 2002 Operating Appendices (bound separately) for details. In addition, this shift will occur because:

1. The Health Care Financing Administration (HCFA) is no longer allowing a category of providers called “non-affiliated” providers to be reimbursed using this method.
2. The methodology developed by the former Commission for reimbursement limited the reimbursement potential for the current system.
3. The types of services that are allowable under the current system are quite limited. Because of these limited services, the system has been placed in Receivership.

During the year, the department will certify providers to bill using the Medicaid Rehabilitation Option. This shift will result in a larger number of consumers receiving services over the long term and will also stabilize and potentially increase federal Medicaid funding to the District’s mental health system. The department will be able to complete

the shift to the new system by the end of FY 2002, but may not be able to allocate funds quickly enough to meet new obligations during the year.

Federal (Medicare/Medicaid)

The proposed FY 2002 federal budget is \$66,925,455, a \$124,010 increase over the FY 2001 approved budget. There are 660 FTEs supported by federal funds, no change from FY 2001.

The Department of Mental Health utilizes grant funding to enhance consumer and family services, outreach activities, implement staff development and training, improve data collection and data management, explore potential models of service delivery and provide housing assistance to consumers. The significant grant programs are:

- State Indicator Pilot Grant - \$100,000 per year for three years. This is a three-year grant that supports participation in a 16-state pilot project of 34 performance indicators and the integration of these and other indicators into a performance monitoring system that will inform decision-making for system administrators and consumers. Grantors: Department of Health and Human Services (DHHS) and Substance Abuse and Mental Health Services Administration (SAMHSA).
- Performance Partnership Block Grant - \$822,386. This grant supports a wide variety of DMH programming, including consumer housing, staff development and training, activities of the Office of Consumer and Family Affairs, the State Mental Health Planning Council, a consumer and family member training symposia and family member conference participation, and the Youth Advisory Council. Grantors: Department of Health and Human Services (DHHS) and Substance Abuse and Mental Health Services Administration (SAMHSA).
- The Projects for Assistance in Transition from Homelessness (PATH) - \$300,000. This grant provides supplement services to individuals with mental illness, or mental illness and substance abuse, and who are at risk of becoming homeless. Grantors: Department of Health and Human Services (DHHS) and Substance Abuse and Mental Health Services Administration (SAMHSA).

The remaining federal funds represent Medicare and Medicaid revenue reimbursements.

Private

The proposed FY 2002 private budget is \$18,328,664, a \$4,118 increase from the FY 2001 approved budget. The sources include Chartered School grant (\$1.2 million) and Medicare reimbursement (generated revenue). Private funds are allocated to nonpersonal services. The funds are earmarked for Medicare eligible patients and services.

Other

The proposed FY 2002 other budget is \$35,000, no change from the FY 2001 approved budget. Other funds are allocated to nonpersonal services.

Capital Improvement Plan

The proposed FY 2002 capital budget for the Department of Mental Health (DMH) is

\$50,620,213 for FY 2002 and \$109,867,697 for FY 2002 through FY 2007 (table RM0-3). Refer to the FY 2002 Capital Appendices (bound separately) for details. The agency's new funding will accomplish the following:

- Supplemental Consolidation. Additional funding will be used to facilitate the relocation of administrative and support services from the West Campus to the East Campus in order to improve the efficiency of services and to maximize on the economical use of hospital space. Planned expenditures for this project total \$7,000,000 for FY 2002.
- Demolition of Dix and John Howard Pavilion (JHP) buildings. Funds will be used for environmental cleanup in order to provide new incentives for economic development in the area. Planned expenditures for these efforts amount to \$11,102,000 for FY 2002 and \$22,214,000 for FY 2002 through FY 2007.

Table RM0-3

Capital Improvement Plan, FY 2000–FY 2007

(dollars in thousands)

Department of Mental Health

Cost Elements	Through Budgeted		Total	EXPENDITURE SCHEDULE						6 Year Budget	Budget
	FY 2000	FY 2001		Year 1 FY 2002	Year 2 FY 2003	Year 3 FY 2004	Year 4 FY 2005	Year 5 FY 2006	Year 6 FY 2007		
a. Design	1,126	3,017	4,143	5,688	0	0	0	0	0	5,688	9,830
b. Site	0	0	0	11,102	11,112	0	0	0	0	22,214	22,214
c. Project mngmnt	203	3,017	3,220	4,475	1,975	0	0	0	0	6,450	9,670
d. Construction	32,234	23,963	56,197	28,230	24,862	18,024	0	0	0	71,116	127,313
e. Equipment	0	613	613	1,125	125	3,150	0	0	0	4,400	5,013
Total	33,563	30,609	64,172	50,620	38,074	21,174	0	0	0	109,868	174,040

Cost Elements	Through Budgeted		Total	FUNDING SCHEDULE						6 Year Budget	Budget
	FY 2000	FY 2001		Year 1 FY 2002	Year 2 FY 2003	Year 3 FY 2004	Year 4 FY 2005	Year 5 FY 2006	Year 6 FY 2007		
a. Long-term financing	65,082	0	65,082	49,710	38,074	21,174	0	0	0	108,958	174,040
b. Tobacco securitization	0	0	0	0	0	0	0	0	0	0	0
c. Grants	0	0	0	0	0	0	0	0	0	0	0
d. Pay go	0	0	0	0	0	0	0	0	0	0	0
e. Hwy trust fund	0	0	0	0	0	0	0	0	0	0	0
f. Equipment lease	0	0	0	0	0	0	0	0	0	0	0
g. Alternative financing	0	0	0	0	0	0	0	0	0	0	0
h. Other:	0	0	0	0	0	0	0	0	0	0	0
Total	65,082	0	65,082	49,710	38,074	21,174	0	0	0	108,958	174,040

Table RM0-4

FY 2002 Proposed Operating Budget, by Revenue Type

(dollars in thousands)

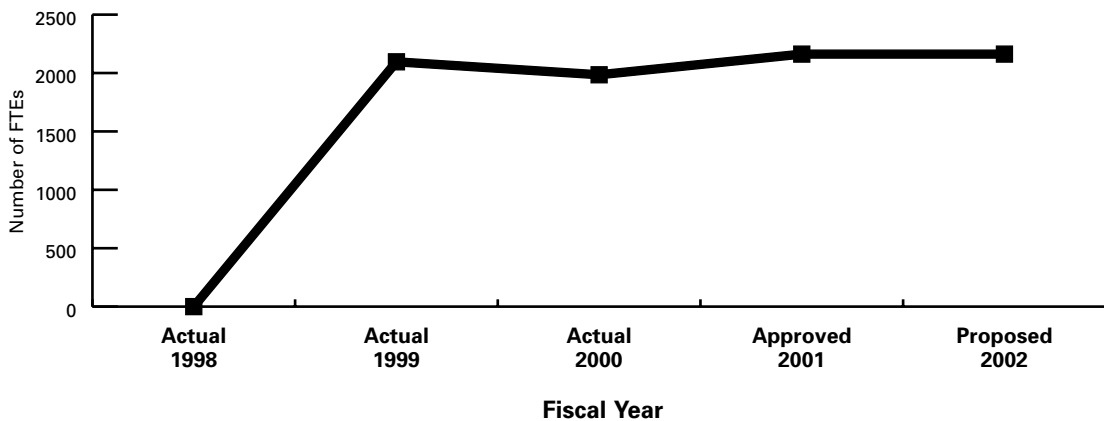
Department of Mental Health

	Actual FY 1998	Actual FY 1999	Actual FY 2000	Approved FY 2001	Proposed FY 2002
Local	0	105,369	129,177	125,408	142,280
Federal	0	64,738	60,064	66,801	66,925
Private	0	26,414	17,456	18,325	18,329
Other	0	22	16	35	35
Intra-District	0	1,157	2,343	0	0
Gross Funds	0	197,701	209,056	210,569	227,569

Figure RM0-2

DMH Employment Levels, FY 1998–Proposed FY 2002

(gross FTEs)



- Supported Housing Initiative. Funds will be used to support the development of 300 housing units. This request will enable the department to meet its FY 2002 obligations for the department's initiative to develop affordable housing for adults with serious mental illness. Funds will support the purchase, rehabilitation and/or newer housing construction. The department will also seek federal and private funds for this initiative.

The department's ongoing capital program is designed to facilitate the continued downsizing of St. Elizabeths Hospital and the transfer of operations from the West Campus to the East Campus. The existing program consists of three capital projects with total funding of \$27,018,213 in FY 2002 and \$69,653,697 for FY 2002 through FY 2007. This program consists of various renovation initiatives and the construction of a new hospital facility.

Trend Data

Table RM0-4 and figure RM0-2 show expenditure and employment histories for FY 1998–Proposed FY 2002.

Agency Goals and Performance Measures

Goal 1. Improve access to and provision of appropriate community mental health services and supports.

Citywide Strategic Priority Area: Strengthening children, youth, families and individuals

Manager: Elizabeth Jones, Chief Operating Officer

Supervisor: Martha B. Knisley, Acting Director,
Department of Mental Health

Performance Measure 1.1: Number of Medicaid reimbursable services provided

	1999	2000	Fiscal Year 2001	2002	2003
Target	NA	164,183	197,488	569,853	1,158,313
Actual	159,401	188,084	-	-	-

Note: In FY2002, the department will shift to contracting/providing Medicaid Services under the Medicaid Rehabilitation Option, thus types of services and units will change.

Performance Measure 1.2: In-patient census at St. Elizabeth's Hospital

	1999	2000	Fiscal Year 2001	2002	2003
Target	NA	506	506	430	365
Actual	617	550	-	-	-

Performance Measure 1.3: Number of clients who drop out of treatment as measured by no follow-up services within a 90-day period

	1999	2000	Fiscal Year 2001	2002	2003
Target	NA	841	553	415	311
Actual	850	564	-	-	-

Performance Measure 1.4: Number of clients with access to new psychotropic medications

	1999	2000	Fiscal Year 2001	2002	2003
Target	NA	1,903	2,816	3,380	3,886
Actual	1,547	1,983	-	-	-

Performance Measure 1.5: Number of re-hospitalizations to St. Elizabeth's Hospital within 60 days of discharge/outplacement

	1999	2000	Fiscal Year 2001	2002	2003
Target	NA	269	209	157	118
Actual	274	220	-	-	-

Performance Measure 1.6: Number of contracted independent housing establishments monitored

	1999	2000	Fiscal Year 2001	2002	2003
Target	NA	NA	244	293	351
Actual	NA	200	-	-	-

Performance Measure 1.7: Number of housing units developed with capital funds

	1999	2000	Fiscal Year 2001	2002	2003
Target	NA	NA	75	100	125
Actual	NA	NA	-	-	-

Performance Measure 1.8: Number of service contacts to homeless people with mental illness

	1999	2000	Fiscal Year 2001	2002	2003
Target	NA	10,650	15,975	23,962	35,944
Actual	7,100	14,134	-	-	-

Performance Measure 1.9: Community-based penetration rate for adults

	1999	2000	Fiscal Year 2001	2002	2003
Target	NA	NA	2.0	3.0	5.0
Actual	1.8	1.9	-	-	-

Note: Penetration rate per 100,000 of population (includes individuals who are not residents of the District of Columbia).

Performance Measure 1.10: Community-based penetration rate for children

	Fiscal Year				
	1999	2000	2001	2002	2003
Target	NA	NA	2.0	3.0	5.0
Actual	1.2	1.3	-	-	-

Performance Measure 1.11: Number of children (city-wide) placed in out-of-state residential facilities

	Fiscal Year				
	1999	2000	2001	2002	2003
Target	NA	NA	NA	500	400
Actual	NA	NA	600	-	-

Note: FY 2001 actual figure is an estimate